

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2005

1. BUDGETARY DATA

Annual budget requests for the ensuing fiscal year are submitted to the County Administrator by department or agency heads during the second quarter of the fiscal year. The County Administrator reviews the requests and meets with department heads and agencies for discussion. After work sessions with the Board of Supervisors and public hearings, the budget is amended as necessary and an appropriations resolution by functional level is adopted. The budget is required to be adopted by a majority vote of the Board of Supervisors prior to the end of the current fiscal year.

The budgetary data reported in the required supplementary information reflects the approved County Budget as adopted by the Board of Supervisors for the year ended June 30, 2005, as amended. The budget may be amended by the Board of Supervisors through supplemental appropriations or transfers as necessary. The legal level of budgetary control rests at the fund level with the exception of the general fund, which is appropriated at the activity or functional level. In addition, the County Code provides that the County Administrator may transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations and any such transfer may not result in a change in the total appropriated for personnel or non-personnel costs within the function.

2. LEGALLY ADOPTED BUDGETS

The general, special revenue, debt service, and capital projects funds all have legally adopted budgets. The proprietary funds also have legally adopted annual budgets, except for the Yorktown Revitalization Fund, the York Sanitary District Fund, the Water Enterprise Fund, and the Sanitary District No.2 Fund.

3. BASIS OF ACCOUNTING

The budgets are prepared on a basis consistent with the modified accrual basis of accounting. The general fund's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

4. ENCUMBRANCES

The County employs encumbrance accounting under which obligations in the form of purchase orders, contracts, and other commitments for the expenditure or transfer out of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental fund balance, since encumbrances do not constitute expenditures or liabilities. Funding is reappropriated in the following year for outstanding encumbrances. According to the County Code, unexpended, unencumbered appropriations lapse at the end of the fiscal year.